

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

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CLERK U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

In re:)
) Second Amended Administrative Order
) No. 98-1
ADMINISTRATION OF CHAPTER 13)
CASES FILED IN CLEVELAND) Chapter 13
)
) Judge Pat E. Morgenstern-Clarren
) Judge Arthur I. Harris
) Judge Jessica E. Price Smith

In recent months, an increasing number of motions to incur new debt and to sell real estate have been filed. These motions frequently result in multiple hearings because they are not supported by adequate information at the time of filing. To promote the efficient administration of Chapter 13 cases, therefore, this Order establishes procedures to govern motions by debtors to incur new debt and motions to sell real estate.

I. Motions to Sell Real Estate

A Motion to Sell Real Estate should include:

1. The proposed contract of sale;
2. The reason for the proposed sale;
3. If the real estate is debtor's residence, an explanation of where debtor intends to reside following the sale;
4. A statement as to any connection between debtor and the proposed buyer, or an affirmative representation that there is no such connection;
5. A Settlement Statement or Disbursement Schedule detailing the proposed disposition of funds.

6. If the proposed sale price is greater than the value of the real estate as listed in debtor's schedules, an explanation of the discrepancy.

II. Motions to Incur New Debt

- A. A Motion to Buy Real Estate should include:
 1. The proposed purchase contract;
 2. The Truth-in-Lending Disclosure Statement;
 3. The Good Faith Estimate of Closing Costs;
 4. A statement of the basic terms: i.e., amount to be borrowed, number of years, down payment (including the source of the funds), interest rate, and points to be paid;
 5. The reason for the proposed purchase;
 6. A comparison of debtor's existing housing costs to the anticipated new housing costs, including a utility and insurance analysis. If the proposed new housing cost is:
 - (a) higher than debtor's existing housing cost: an explanation of how debtor intends to handle the additional cost;
 - (b) lower than debtor's existing housing cost: an explanation of how debtor intends to apply the additional disposable income.
 7. A statement as to any connection between debtor and the proposed seller, or an affirmative representation that there is no such connection.

An Amended Budget should also be filed in support of the Motion, if applicable.

- B. A Motion to Refinance Real Estate should include:
 1. The proposed contract;

2. The Truth-in-Lending Disclosure Statement;
3. The Good Faith Estimate of Closing Costs;
4. A statement of the basic terms: i.e., amount to be borrowed, number of years, interest rate, and points to be paid;
5. The reason for the proposed refinancing;
6. A Settlement Statement or Disbursement Schedule detailing how the funds sought to be borrowed will be distributed;
7. A comparison of debtor's existing mortgage costs to the anticipated new costs. If the anticipated new cost is:
 - (a) higher than debtor's existing cost: an explanation of how debtor intends to cover the additional cost;
 - (b) lower than debtor's existing cost: an explanation of how debtor intends to apply the additional disposable income;
8. A statement as to any connection between debtor and the lender, or an affirmative representation that there is no such connection;
9. If the refinancing includes amounts for repair to the real estate, a detailed statement of each such repair and the estimated cost of the repair, including debtor's basis for arriving at that estimated cost.

An Amended Budget should be filed in support of the Motion, if applicable.

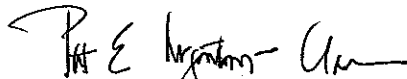
C. A Motion to Lease/Purchase a Vehicle should include:

1. The proposed contract;

2. A statement of the basic terms: i.e., amount to be borrowed, loan/lease term, down payment (including source of the funds), and interest rate;
3. The reason for the proposed lease/purchase;
4. A comparison of debtor's existing transportation costs to the anticipated new costs. If the anticipated new cost is:
 - (a) higher than debtor's existing cost: an explanation of how debtor intends to cover the additional cost;
 - (b) lower than debtor's existing cost: an explanation of how debtor intends to apply the additional disposable income;
5. A statement as to any connection between debtor and the lender/lessor, or an affirmative representation that there is no such connection.

An Amended Budget should be filed in support of the Motion, if appropriate.

IT IS SO ORDERED.



Hon. Pat E. Morgenstern-Clarren
United States Bankruptcy Judge



Hon. Arthur I. Harris
United States Bankruptcy Judge



Jessica E. Price Smith
United States Bankruptcy Judge